



State of California
Employment Training Panel

**Amendment Proposal for:
Abbott Diabetes Care**

Agreement Number: ET08-0145

Panel Meeting of: **July 25, 2008**

ETP Regional Office: **San Francisco Bay Area**

Analyst: D. Woodside

CURRENT PROJECT PROFILE

Contract
Type: Priority/Retrainee

Industry
Sector(s): Manufacturing

Counties
Served: Alameda

Repeat
Contractor: ☐ Yes ☒ No

Union(s): Yes ☒ No

Priority
Industry: ☒ Yes ☐ No

Current Contract Term: 8/7/07 – 8/6/09

Current Funding	In-Kind Contribution	Substantial Contribution
\$495,000	\$778,515	\$0

AMENDMENT FUNDING

Requested Funding	In-Kind Contribution
\$495,990	\$817,440

Total Funding
\$990,990

AMENDMENT TRAINING PLAN TABLE

Job No.	Job Description	Type of Training	Average No. of Trainees	Range of Hours		Average Cost per Trainee	Post-Retention Wage
				Class/ Lab	CBT		
1	Priority/Retrainee	Advanced Technology, Business Skills, Computer Skills, Continuous Improvement, Manufacturing Skills	847	24 – 200	0	\$1,170	\$14.02
				Weighted Avg: 65			

Minimum Wage by County: Alameda - \$14.02

Health Benefits: ☐ Yes ☒ No This is employer share of cost for healthcare premiums – medical, dental, vision.

Used to meet the Post-Retention Wage?: ☐ Yes ☒ No ☐ N/A

Other Benefits: In addition to health insurance, ADC provides group life term and disability insurance; employee assistance programs; tuition reimbursement; adoption assistance; and retirement accounts including 401(K) and employee stock purchase plans.

Wage Range by Occupation	
Occupation Title	Wage Range
Administrative Staff	
Engineer	
Scientist	
Project Manager	
Manager	
Production Worker	

INTRODUCTION

Founded in 2004 and based in Alameda, Abbott Diabetes Care (ADC) develops and manufactures several glucose monitoring systems and test strips for use in both home and hospital settings. These products help reduce the discomfort and inconvenience of blood glucose monitoring, are easier to use, require less blood, and provide faster results. In accordance with Title 22, California Code of Regulations, Section 4416(b), ADC is eligible for ETP funding as a manufacturer retraining employees.

This Priority Industry project was approved by the Panel at the July 2007 Panel meeting and training subsequently commenced on August 7, 2007. At the time of project development, the company requested more funding. However, ADC significantly reduced its request based on staff's recommendation. Now that the current Agreement amount has been fully utilized, the company is requesting funding that more closely reflects its original request.

AMENDMENT DETAILS

The company reports that it delivered enough training to exhaust current funding as of April 2008. Specifically, a total of 47,656 training hours have been entered into the ETP Online Tracking System for the period of August 2007 through March 2008 (9 months). This will exhaust current funding, assuming the retention and wage requirements are met. Company representatives report that training progressed faster than originally planned due to rapid growth as new products are introduced, and manufacturing lines are expanded.

ADC's workforce has grown to 900 people in Alameda, up from the original employee count of 300 in 2003. Company representatives also report that training hours will increase 10 to 20% over the next twelve months. Future growth and product demand should stay high given that ADC just received FDA approval for a new product, the Navigator, which conducts continuous monitoring of blood glucose levels with a monitor wire just under a person's skin. ADC has invested in a new manufacturing line at its Alameda facility to produce this product, which necessitates focused training.

In summary, ADC is requesting additional funds to meet the training goals resulting from the company's expansion. This Amendment would increase the average number of trainees from 500 to 847; increase the average training hours per trainee from 55 to 65; and increase the average cost per trainee from \$990 to \$1,170. The company has agreed to meet the current post-retention wage of \$14.02 for all trainees.

RECOMMENDATION

Staff recommends that the Panel approve the Amendment because of the continuing demand for training. Staff notes that ADC, a medical technology manufacturer, is one of the targeted industries in the 2008/2009 Strategic Plan.